

Record Maintenance Requirements for Family Daycare Home Providers  
in Child and Adult Care Food Program

PURPOSE:

To reaffirm the intent of the Child and Adult Care Food Program (CACFP) regulations at §§226.10(d) and 226.18(d), (e), and (g) that require family day care home (FDCH) providers to maintain Program records.

SCOPE:

Sponsoring organizations of family day care homes and family day care home providers participating in the CACFP.

DESCRIPTION:

Correct implementation of these provisions is intended to facilitate reviews, to enhance Program integrity, and to assure providers that they are being properly reimbursed by their sponsors.

It has come to the attention of USDA Food and Nutrition Service (FNS) that many sponsors collect and maintain most or all provider records. Section 226.10(d) requires that records shall be retained for three years after the date of submission of the final claim for the fiscal year to which they pertain, except that if audit finding have not been resolved, the records shall be retained beyond the end of the three year period as long as may be required for the resolution of the issues raised by the audit. Sponsors must require providers to submit records of menus, meal counts, and enrollment in order to process claims. However, it is important that copies of these records also be maintained at the provider's facility in accordance with 226.18(e), which states that each day care home must maintain on file documentation of each child's enrollment and must maintain daily records of the number of children in attendance and the number of meals, by type, served to enrolled children.

Sponsors may keep duplicate records, but maintaining records on site at the FDCH ensures that records are available for review when a monitor or auditor arrives at the home. Records that are kept at the provider's home also afford the State Agency an audit trail and the ability to confirm the accuracy of the records at both locations. Also, maintaining records at the FDCH instills an internal control whereby the provider is assured that reimbursements are accurate and that no errors have occurred in the payment process.

In order to reduce the administrative burden, providers must only maintain and have on hand for immediate review all records that support their program activities for the current month, as well as the previous 12 months of operation. Records should include documentation of attendance, enrollment, meal counts, and menus. Providers may store the remaining two years of records offsite, however, they must still be in the control of the provider and accessible within a

reasonable amount of time. If no offsite storage is used, providers must retain three years of records onsite at the FDCH. Records can be kept in hard copy or electronic format, provided that they are readily available to reviewers. *This does not mean that provider records stored at the sponsor's office meet this requirement.* Sponsors and providers must be aware that failure to maintain such records shall be grounds for the denial of reimbursement.

Family day care home sponsors must immediately begin taking measures to ensure that this Program requirement is met in conformance with the original intent of the regulation. This is not a change in procedure for Indiana. **Correct implementation of this existing requirement should be completed no later than October 1, 2010.**

In order to minimize any unnecessary burden to sponsors and providers, the providers should be given the opportunity to correctly implement this requirement without any fiscal or seriously deficient penalties against the provider for non-compliance unless it is a violation previously established by the provider's agreement with the sponsor.

Corrective action is appropriate for violations that occur after the final October 1, 2010, implementation date.

**SOURCE:**

USDA Memo Code CACFP 03-2009, dated February 24, 2009.